

CONSUMER FACT SHEET

Program Substitutions

Sometimes the programs I receive on my cable television differ from the programs listed in my television viewing guide. Why does this happen? A common reason why this would happen is that a local broadcast channel has exclusive rights to air the program which prevents the cable operator from airing the program on a non-local broadcast channel. The cable operator is allowed to air alternative programming and so the viewing guide might differ from what is actually being shown. Exclusive rights to air syndicated and network broadcast programs are governed by regulations implemented by the Federal Communications Commission ("FCC"). These regulations allow a local broadcast station that has negotiated exclusive airing rights to demand that cable operators not show elsewhere syndicated or network broadcast programming that is shown on the local broadcast station. For example, if a local broadcast station has exclusive rights to broadcast reruns of *Seinfeld*, then it can demand that the cable operator refrain from showing any *Seinfeld* reruns on another channel.

Why does the local broadcaster want to prevent my cable operator from showing these syndicated and network programs? Local broadcast stations pay for the rights to air syndicated and network programming. To pay for these rights and the costs associated with airing these programs, the local broadcaster negotiates with advertisers the rates to be paid for commercial time during the programs. Advertisers will often pay higher rates for the commercial time if the local broadcaster has obtained exclusive rights to air the programming. Under federal rules, cable operators are required to comply with these agreements so that the local broadcasters' exclusive rights to the programming are protected. If a cable operator fails to abide by these federal rules and airs the programming on another channel, the cable operator is subject to copyright penalties and FCC fines.

Why are sporting events in my area not available on my cable television system? Similar to the rules governing syndicated and network broadcast programs, the FCC has rules governing sports broadcasts. These rules allow the holder of the broadcast rights, typically the sports team or the sports team owner, to require that a live event not be broadcast in the community in which the live event is taking place, especially if the sporting event has not been sold out. When the sports programming is not shown, it is sometimes referred to as a blackout. Historically, these rules were viewed as a means to encourage local residents to purchase tickets to the live event. Increasingly, these broadcast rights holders have negotiated agreements with cable operators to allow the showing of these sporting events, often at an additional cost, to local cable subscribers.

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